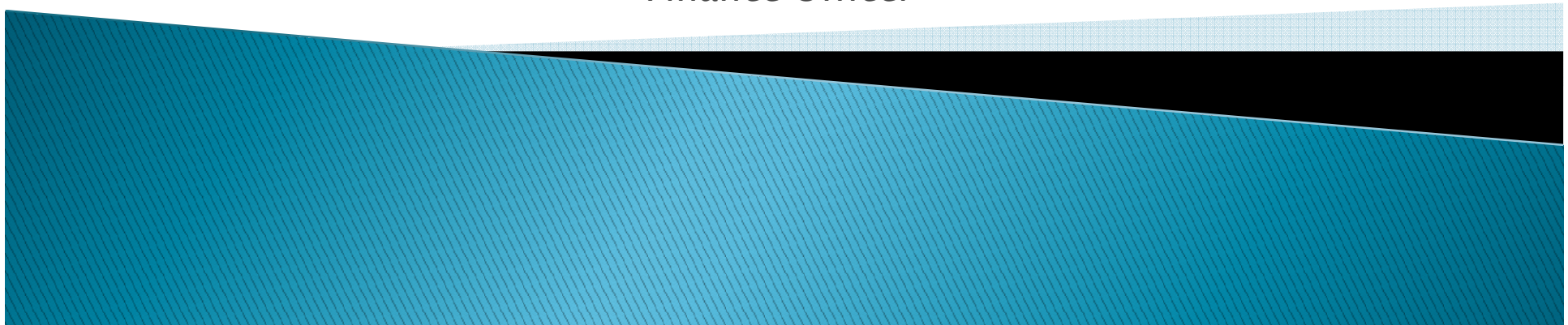


Overview of FY 2010 Recommended Budget Bay County, Michigan

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Bay County Executive

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Finance Officer



2010 STRATEGIC PRIORITIES COUNTY OF BAY

Quality Taxpayer Services

Strong Financial Management

A Productive Workforce

An Improving Quality of Life

Excellent Communication



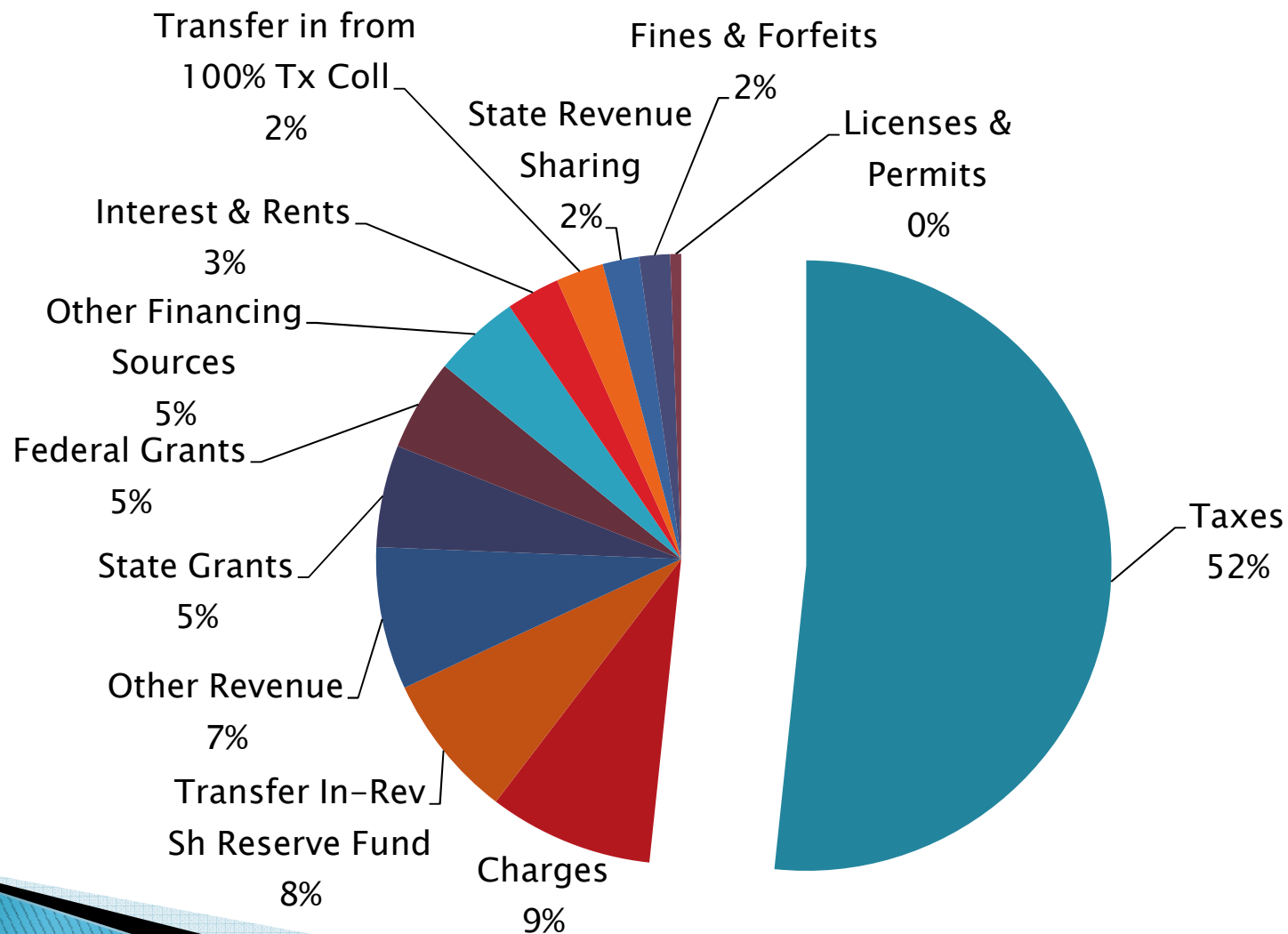
2010 Budget Highlights

A balanced budget was submitted by the statutory deadline

Total County
Revenue for all
funds total \$119.0
million

Total County
Revenue for the
General Fund totals
\$33.7 million

2010 – General Fund Revenue



2010 – General Fund Revenue

The levied tax rate (5.7257 mills) for general fund operations will not increase.

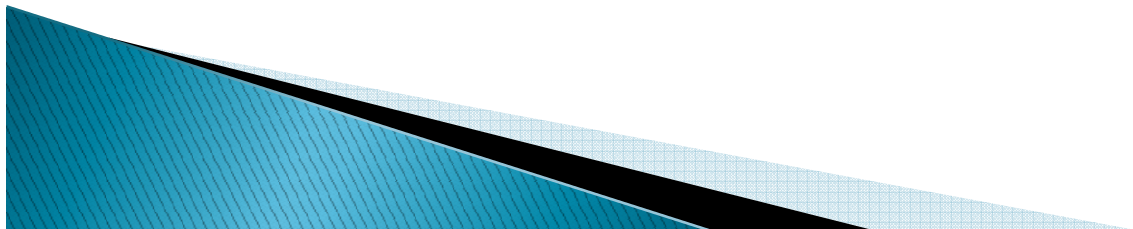
The county's tax base, as measured by "total county taxable value," is projected to increase by \$23 million, from \$3.152 billion in 2008 to \$3.175 billion, a .79% increase

New construction in 2009 increased taxable property values by \$68.2 million

The budget for the county's revenue from taxable values for real and personal property includes a net 0% increase/decrease over the 2008 taxable value

2010 – General Fund Revenue, Property Tax Revenues

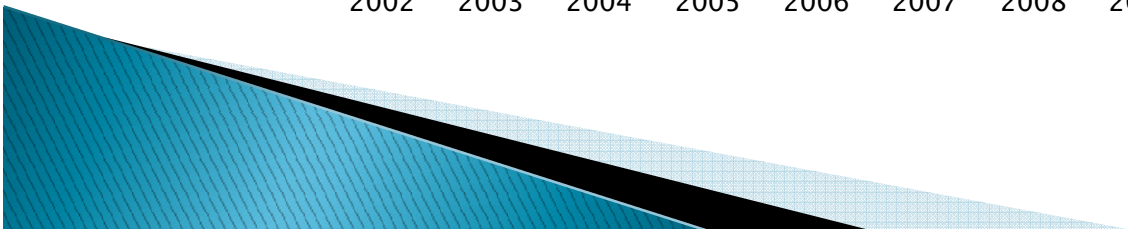
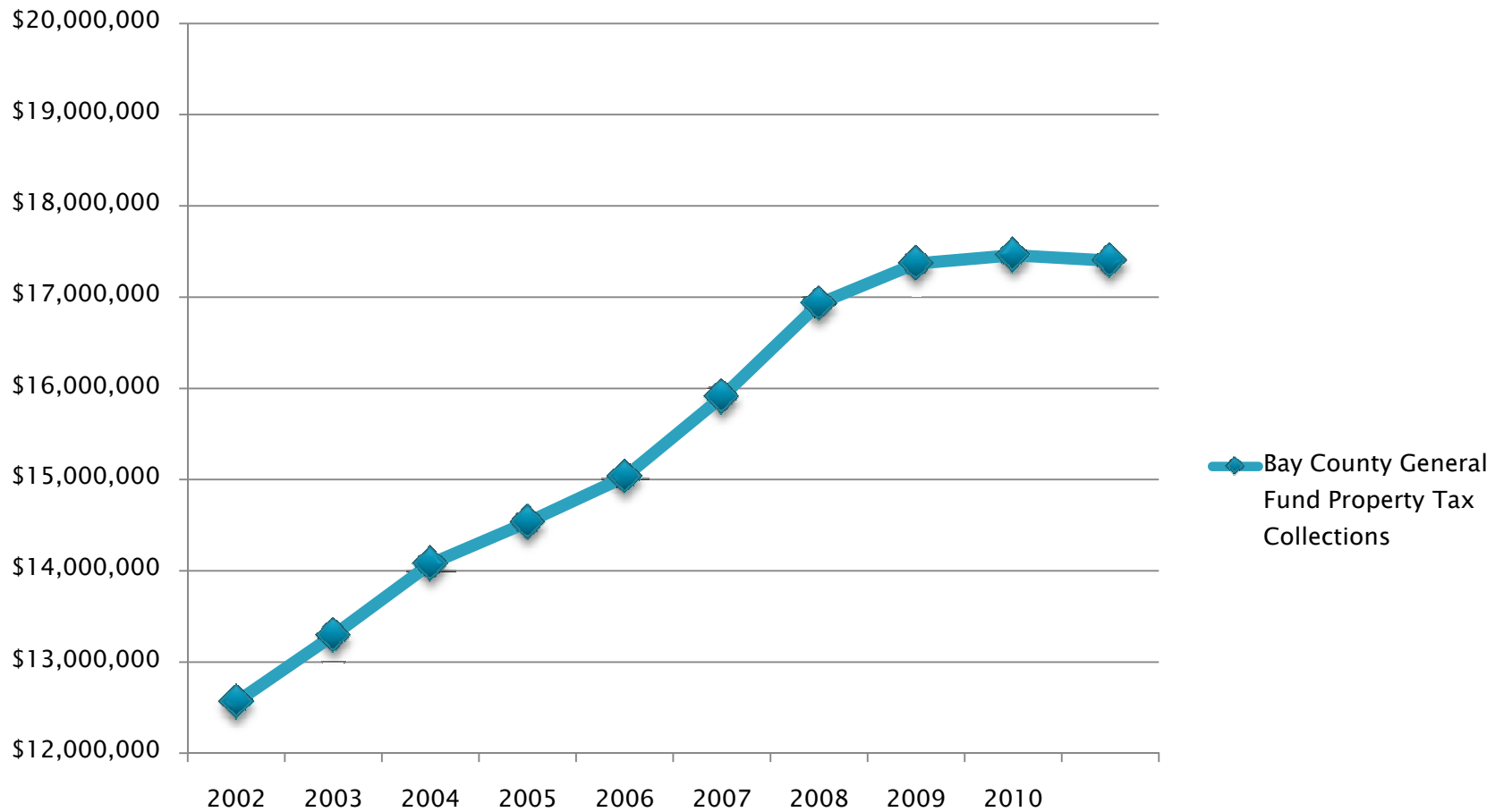
- ▶ Total property tax revenues for the General Fund are projected to equal \$17.4 million, which represents approximately 52% of the overall budget



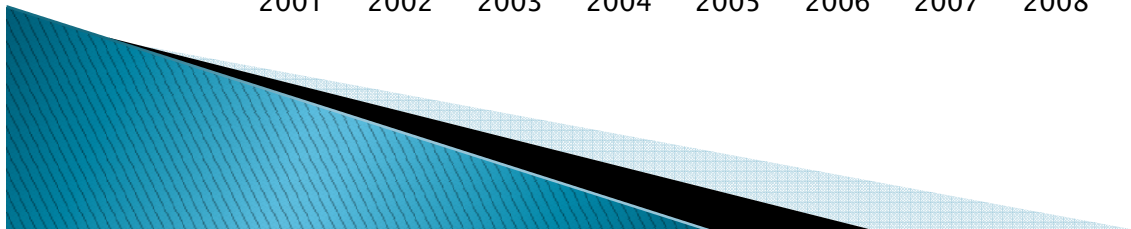
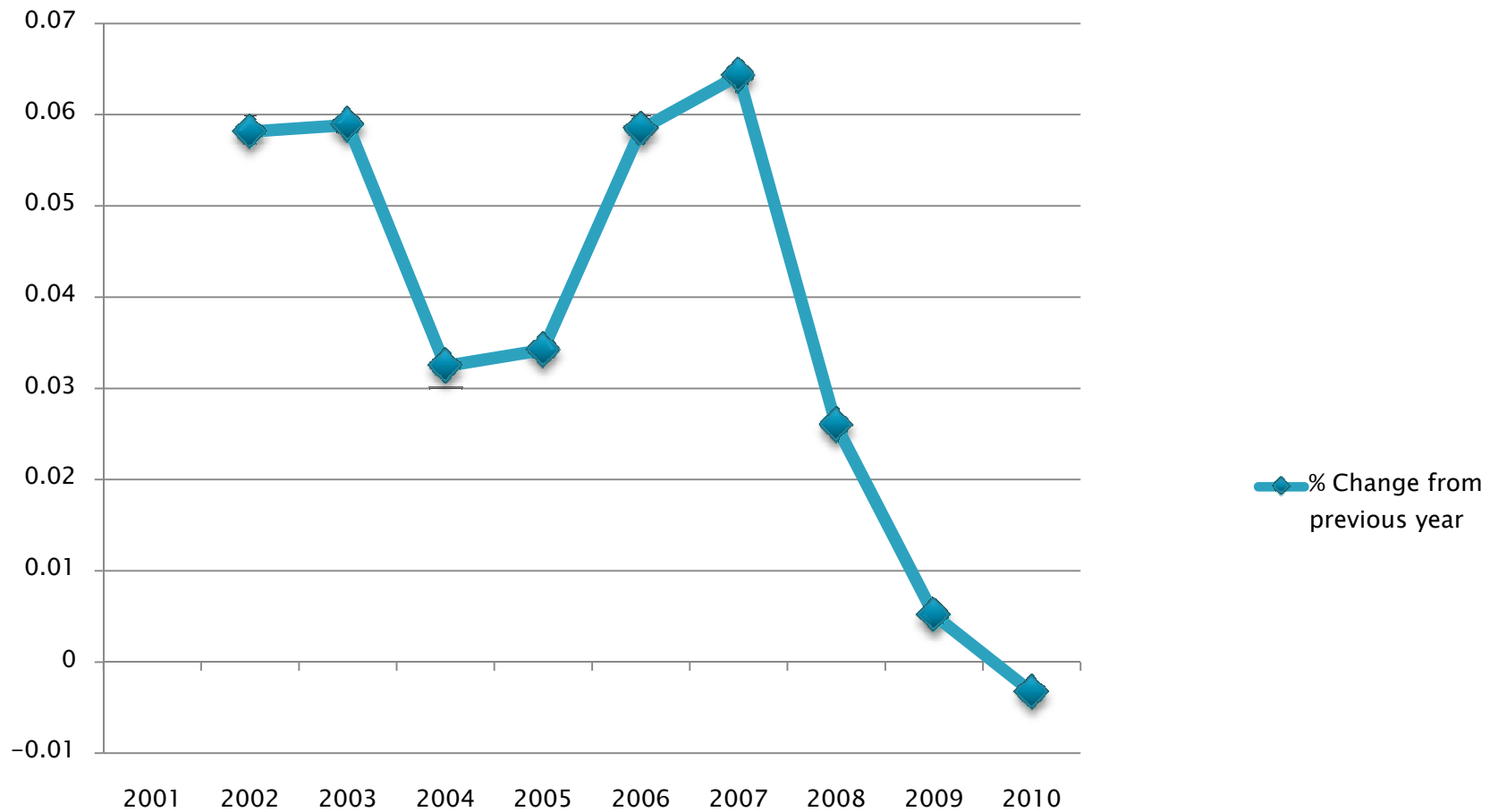
Bay County General Fund Property Tax Collections

Year	Total Taxes		% Change from previous year
2001	\$12,562,584	(Actual)	
2002	\$13,292,843	(Actual)	5.81%
2003	\$14,075,442	(Actual)	5.89%
2004	\$14,532,072	(Actual)	3.24%
2005	\$15,028,959	(Actual)	3.42%
2006	\$15,906,633	(Actual)	5.84%
2007	\$16,929,350	(Actual)	6.43%
2008	\$17,368,314	(Actual)	2.59%
2009	\$17,457,665	(Adopted)	0.51%
2010	\$17,400,035	(Executive Recommended)	-0.33%

Bay County General Fund Property Tax Collections



General Fund Property Tax Collections



2010 – General Fund Revenues

\$853,431 – 2010 Transfer to the General Fund from the (DTF) a 14.4% decrease from the 2009 transfer of \$997,375



The reduced transfer from DTF allows for a 20% reserve to ensure the annual delinquent tax distribution to the tax units

2010 – General Fund Revenues

2010 Charges for Services remain status quo except for the following:

The Community Center Fees have been increased to account for the replacement of a new wooden floor

Register of Deeds projecting a decrease of \$60,000 (32%) in Transfer Tax Stamps

Probate Court Cost Fees decreased \$12,000 (18%) due to decreased number of fines

The Civic Arena Food & Merchandise Sales decreased \$27,000 (18%) based on current year projections

2010 – General Fund Revenues

Fines and Forfeits – Revenue Decreasing in District Court

Bond
Forfeitures
and Costs
decreased
\$25,000 (50%)

Ordinance
Fines and
Cost
decreased
\$85,000 (41%)

Statute Cost
decreased
\$260,000
(39%)

2010 – General Fund Revenues

State Revenue Sharing accounts for a
Total of 10% of the County's Revenue Sources

State Revenue Sharing Payments (2%)

State Revenue Sharing Reserve Fund (8%)



In 2010 Bay County will withdraw the balance in the Revenue Sharing
Reserve Fund & start receiving payments from the State

\$338,849 – State Payment

\$1,874,454 – Reserve Fund



2010 Revenue Sharing totals \$2,213,308,
which is \$288,392 greater than the FY2009 transfer.

2010 – General Fund Revenues

Federal Grants

- 2010 Federal Grants decreased by 13% from 2009
- Homeland Security decreased by \$234,000 (47%) from 2009

State Grants

- 2010 State Grants decreased by 5% from 2009
- Probate Family Dependency Grant decreased by \$22,000 (48%) from 2009
- County Survey Remonumentation decreased by \$60,000 (43%) from 2009

Other Revenue

- Election revenue eliminated from the Schools, Townships, Cities – 2009 total of \$49,500
- New Road Patrol agreement with Auburn – \$52,000
- Decrease in Sheriff Pay Telephone of \$27,000 (19%)

2010 – General Fund Revenues

Investment Interest Income & Other Financing Sources

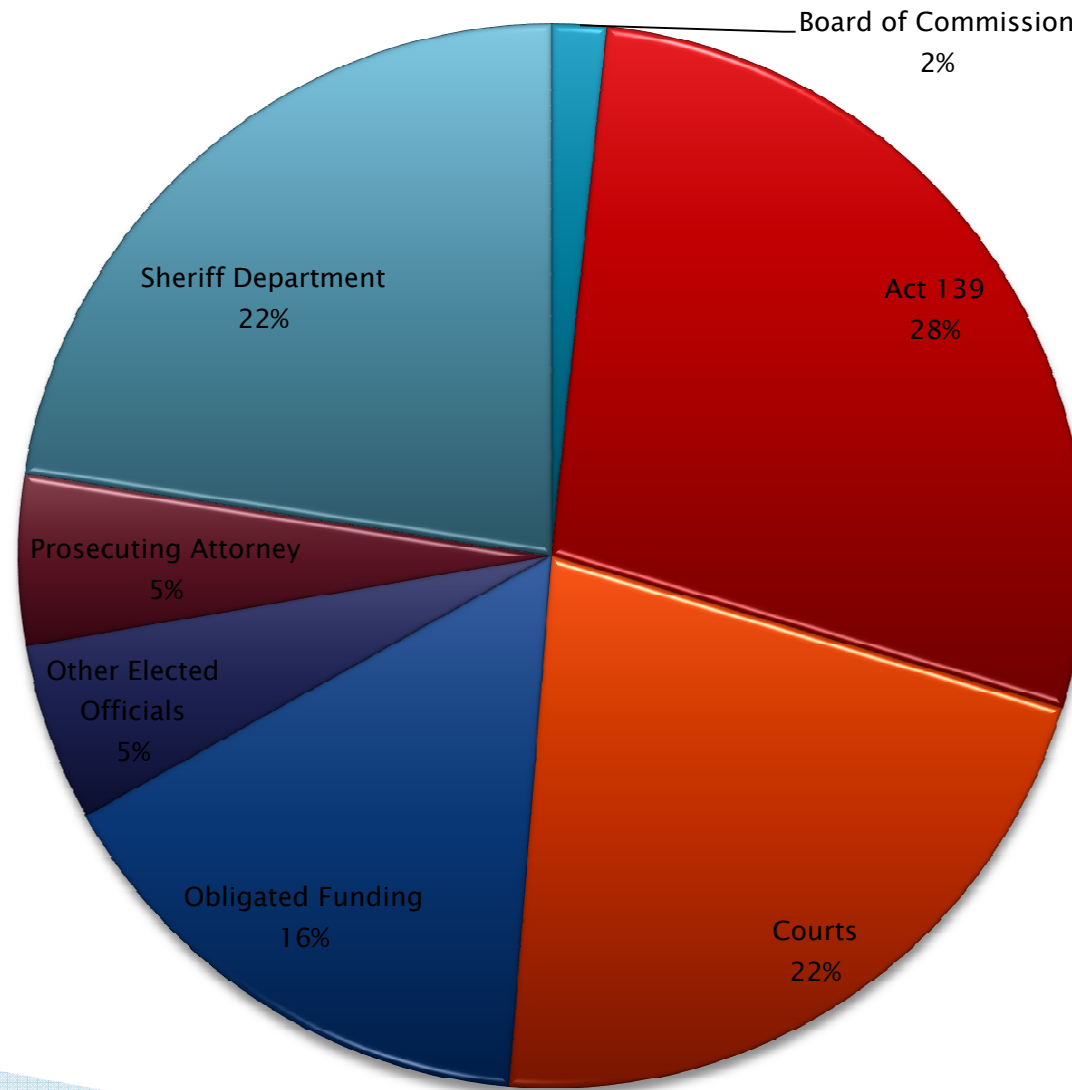
Investment Interest decreased by
\$151,000 (49%) – Interest Rates
extremely low

FY2000 – Investment Income =
\$1 million

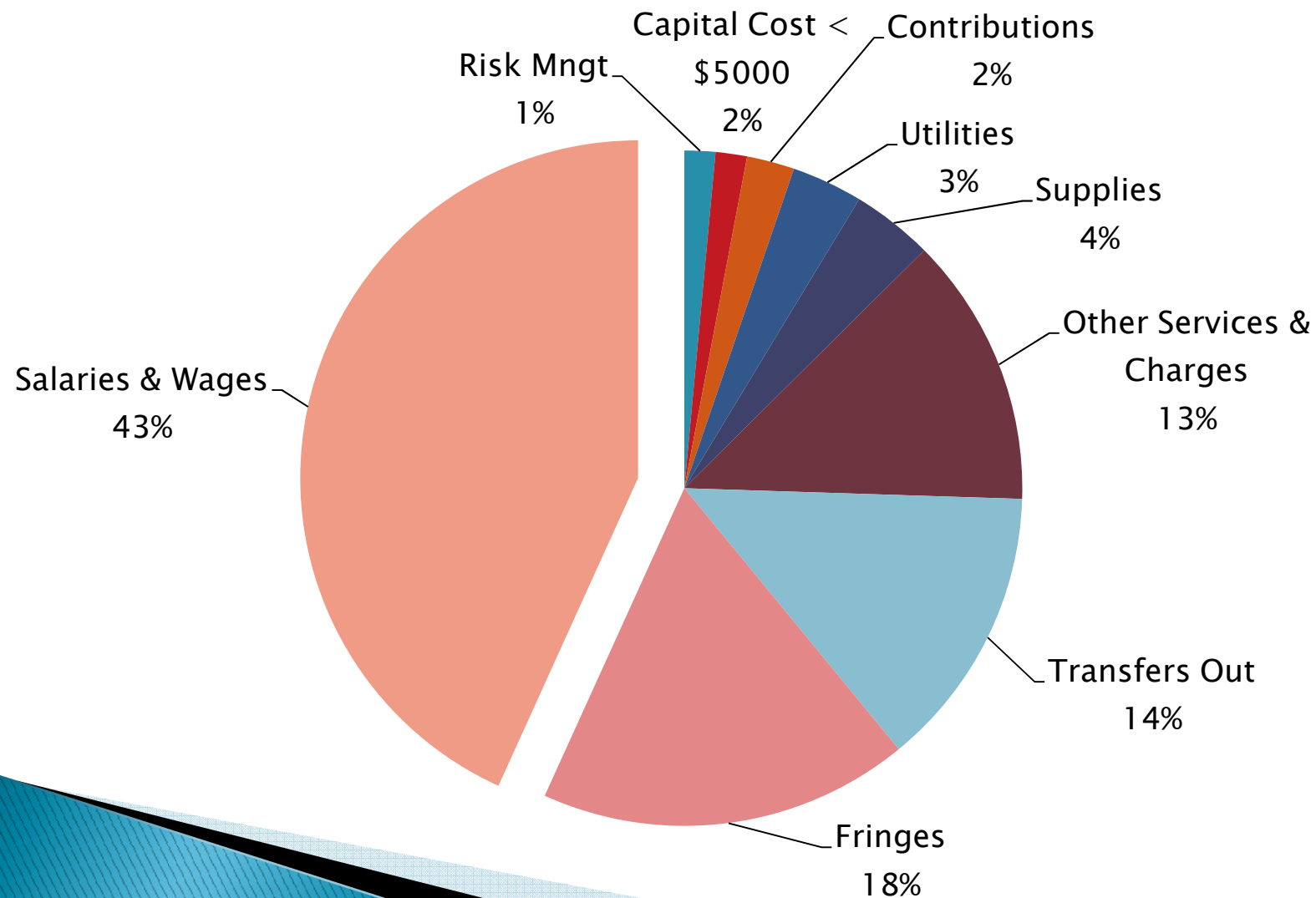
FY2010 – Investment Income =
\$155,000

2010 Budget includes a one-time
transfer from the Building
Authority Fund – Mental Health
Group Homes Paid off in
November 2010 – Remaining
Fund Balance Transfer of –
\$726,000

2009 Adopted Expenditures



2010 – General Fund Expenditures



2010 – General Fund Expenditures

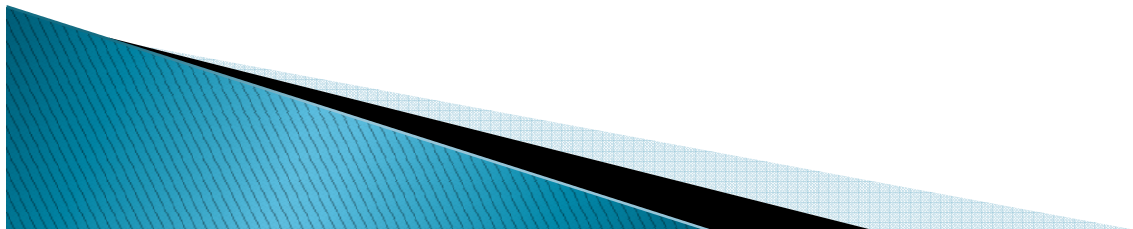
Overall general fund expenditures will decrease by 1.3% (\$429,248) from the projected FY 2009 adjusted budget, from \$34.0 million to \$33.6 million

Salaries & Fringes will decrease by \$226 thousand (1.1%) to \$20.5 million, over the FY2009 budget levels of \$20.7 million.

Health Insurance includes a projected increase of 8.9% (\$235,000)

2010 – General Fund Expenditures

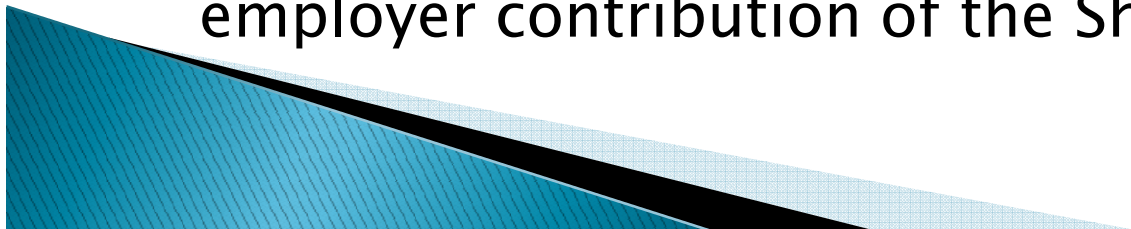
- ▶ VEBA contributions have been eliminated from the budget for the General Group Only (\$318,000)
- ▶ VEBA contributions remain at 4% for the Sheriff Group Only \$171,000
- ▶ The Retirement System includes a 4% employee contribution (paid by the employer) and an additional 1% employer contribution – \$499,000



2010 – General Fund Expenditures

Retirement System

- ▶ As of December 31, 2008 the General Group in the retirement system has a funded ratio of 122.5%, as a result, no employer contributions to the pension system are required for 2009
- ▶ As of December 31, 2008 the Sheriff Group in the retirement system has a funded ratio of 138.3%, as a result, no employer contributions to the pension system are required for 2009
- ▶ The projected 2010 budget includes a 1% employer contribution for the General County group and a 0% employer contribution of the Sheriff Group



2010 – General Fund Expenditures Cont.

Technology

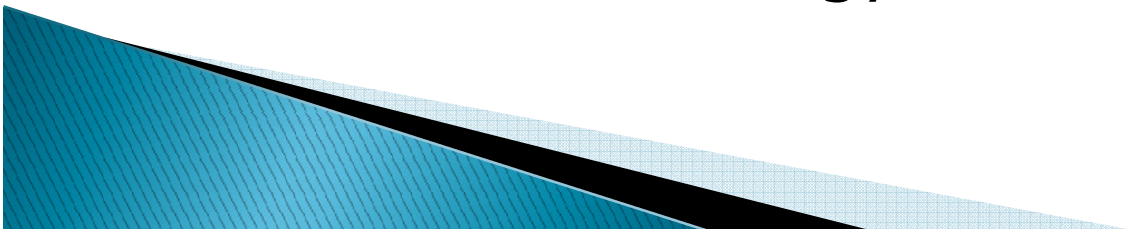
- ▶ General Fund investment in computer hardware has \$20,000 budgeted for contingency and \$12,900 is budgeted for department requests. \$20,000 is budgeted for disk drivers for Cherry Lan expansion (Prosecutor and Probate modules).
- ▶ The budgeted computer software expense has \$20,000 for contingency and \$1,400 of software requests from departments, \$24,985 Equalization property-based net system, \$25,000 for Clerk's office record retention system and \$10,600 for miscellaneous software for Region 3-LETPP 2008-2010.
- ▶ \$15,000 is included for further Web Page expansion.



2010 – General Fund

Buildings & Grounds/Capital Expenditures

- ▶ An additional \$381,435 in maintenance and capital expenditures, exclusive of technology purchases, are budgeted in the General Fund. These funds will support :
 1. \$85,000 for road patrol vehicles, \$30,000 to replace 17 year old 4x4 with plow and \$10,000 for used vehicle for ISD
 2. \$61,135 in ongoing maintenance of existing county facilities will continue, based on our rolling five-year preventive maintenance investment strategy



2010 – General Fund

Buildings & Grounds/Capital Expenditures

3. \$31,600 for Region 3 SHSGP (426.18), LETPP (426.19) grant purchases and (426.20) Citizen Corp Council for year 2007
4. \$36,000 for replacing the wooden floor in the Community Center, \$40,000 to replace chiller in County Building, \$45,000 LEC parking lot repair, \$8,850 for 6 additional campgrounds at Pinconning Park, \$10,000 for Civic Arena to install Zamboni doors, \$19,200 to install energy efficient lights at the Civic Arena and \$4,650 for new carpet at the Civic Arena.



Net FY 2010 General Fund Spending Selected Departments

Sheriff(All activities)	\$5,608,237
Probate Court & Child Care Fund	\$2,170,173
Prosecuting Attorney	\$1,619,821
Circuit Court & Jury	\$1,175,528
Criminal Legal Defense	\$1,039,458
Friend of the Court	\$ 490,740
Animal Control	\$ 374,920
Community Center/Pool	\$ 106,898
Parks Maintenance	\$ 135,191

2010 – General Fund Expenditures Cont.

Transfers Out to Other Funds



Decrease in Build.
Auth. Transfers

LEC Bonds Paid
Off in 2009
(\$459,000)

Animal Control
Paid Off in 2009
(\$148,000)

Increase in Health
Department Transfer
of \$206,000 (19%) for
2010 – Total
\$1,314,359

(2008 Year End – Health
Dept. had a negative
undesignated fund
balance)

Increase in Juvenile
Home Transfer of
\$239,000 (82%) for
2010 – Total
\$529,550

(In 2009 Juvenile Home
used their fund balance of
\$250,000)

2010 General Fund – Contributions

Continued financial support (\$50,000) to Bay Future for county-wide economic development efforts

An additional \$25,000 is included for a specific business expansion/attraction effort

Bay Arenac Behavioral Health Authority will continue to receive an appropriation of \$682,242

2010 General Fund Balance & Budget Stabilization Fund (Unreserved & Undesignated)

As of January 2009, balance equals \$6.6 million

An increase of \$2,180,789 or 48.7% from the 2007 year end balance.

The combined fund balance equals 19.8% of the proposed 2010 budget.



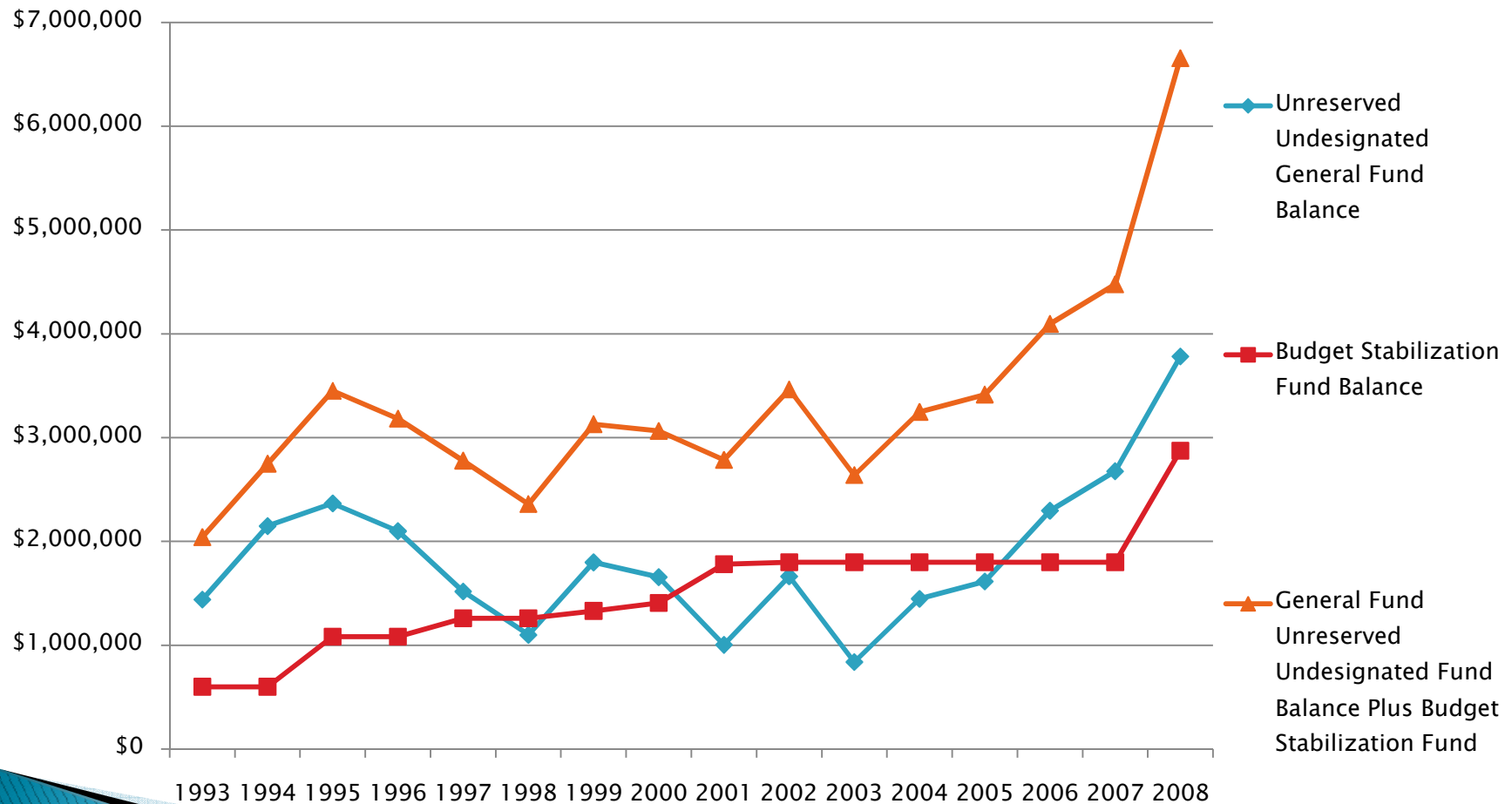
General & Budget Stabilization Fund Balances

Year	Unreserved Undesignated General Fund Balance	Budget Stabilization Fund Balance	General Fund Unreserved Undesignated Fund Balance Plus Budget Stabilization Fund	Total General Fund Fund Balance (Deficit)
1993	\$1,440,581	\$600,000	\$2,040,581	\$2,342,549
1994	\$2,148,256	\$600,000	\$2,748,256	\$2,957,715
1995	\$2,367,262	\$1,082,581	\$3,449,843	\$3,898,939
1996	\$2,099,386	\$1,082,581	\$3,181,967	\$3,876,410
1997	\$1,518,013	\$1,259,205	\$2,777,218	\$3,971,284
1998	\$1,100,013	\$1,259,205	\$2,359,218	\$3,535,398
1999	\$1,798,631	\$1,330,767	\$3,129,398	\$4,355,088
2000	\$1,656,705	\$1,406,595	\$3,063,300	\$4,629,032

General & Budget Stabilization Fund Balances

Year	Unreserved Undesignated General Fund Balance	Budget Stabilization Fund Balance	General Fund Unreserved Undesignated Fund Balance Plus Budget Stabilization Fund	Total General Fund Fund Balance (Deficit)
2001	\$1,004,240	\$1,780,771	\$2,785,011	\$4,608,777
2002	\$1,663,807	\$1,799,590	\$3,463,397	\$4,994,360
2003	\$838,984	\$1,799,590	\$2,638,574	\$3,864,261
2004	\$1,447,577	\$1,799,590	\$3,247,167	\$4,298,271
2005	\$1,614,446	\$1,799,590	\$3,414,036	\$5,040,622
2006	\$2,296,325	\$1,799,590	\$4,095,915	\$5,457,172
2007	\$2,676,734	\$1,799,590	\$4,476,324	\$6,370,226
2008	\$3,782,092	\$2,873,125	\$6,655,217	\$7,295,186

General & Budget Stabilization Fund Balances



2009 Adopted Expenditures (without Obligated Funding)

